

## Message Text

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ACTION PM-04

INFO OCT-01 NEA-10 ISO-00 NSC-05 SP-02 SS-15 L-03 CIAE-00  
INR-07 NSAE-00 AID-05 IGA-02 MC-02 ACDA-10 OMB-01  
TRSE-00 H-02 /069 W  
-----071049Z 052867 /17

R 070708Z MAR 77  
FM AMEMBASSY KUWAIT  
TO DSJ JFMO LOWERY AFB CO

INFO SECDEF WASHDC//ISA(SA)/DSAA//ASD//  
SECSTATE WASHDC 7429  
SECTREASURY WASHDC  
USCINCEUR//ECJ4/7-SAME//  
DSAA JFMO DENVER CO  
CSO WAS ZC  
CNO WASHDC  
JCS WASHDC  
AFAFC DENVER CO//ESAC//

UNCLAS KUWAIT 1202

E.O. 11652: N/A  
TAGS: MASS, KU  
SUBJECT: FMS PAYMENT REQUIREMENTS

REF: (A) JFMO LOWERY 282130Z FEB 77  
(B) ARMY, NAVY AND AIR FORCE BILLING STATEMENTS FOR DEC 76  
(SEE PARA 3A)

1. REFTEL (A) REPORTED ON DELINQUENCY AS IN PAYMENT OF FMS  
BILLS AND INDICATED THAT, AS OF 22FEB77, NET PAYMENT REQUIRED  
OF JEWAIT WAS US\$33,425,103.51.

2. EMBASSY RECOGNIZES IMPORTANCE OF PROMPT PAYMENT OF HOST  
COUNTRY FMS BILLS. ALTHOUGH, ON OCCASION IN  
THE PAST, GOK HAS PROVIDED PARTIAL PAYMENT OF SOME FMS BILLS, ITS  
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GENERAL PAYMENT SCHEDULE APPEARS TO BE GOOD WITH PAYMENTS  
BEING PROCESSED WITHIN REASONABLE TIMEFRAMES, TAKING INTO  
ACCOUNT NORMAL BUREAUCRATIC DELAYS FROM WHICH USG ITSELF IS  
NOT IMMUNE.

3. REVIEW OF OUTSTANDING PAYMENTS REVEALS THE FOLLOWING:

A. SERVICE BILLING RECEIVED EMBASSY:

SVC/ BILL NR/	AS OF DATE/	SVC TOT AMT/ DATE RECD
	EMBASSY	
ARMY/-5-12-(U,V,3,4,5,)-BKU	31 DEC 76	22,400,468.19 24 FEB77
AIR FORCE 76-12	31 DEC 76	2,057,369.72 26 FEB 77
AUG/SPE/OCT/NOV		1,139,679.76 8 FEB 77
NAVY 76-T/A4	31 DEC 76	69,718,314.12 3FEB77
DTOTAL: US\$ 95,315,831.78		

B. PAYMENTS RECEIVED BY THE EMBASSY FOR BILLING AS WELL  
AS DOR INITIAL FMS CASE PAYMENTS SINCE 01JAN77 TOTAL  
\$6,083,586.26 INCLUDING PAYMENTS FOR RETROACTIVE BILLING  
WITH THE USAF FOR 393,126.

C. PAYMENT FOR NAVY BILLING OF \$54,964,702.18 WAS RECEIVED  
BY THE EMBASSY ON 21DEC76. IT IS NOTED THAT, ALTHOUGH THIS  
AMOUNT WAS REPORTED TO CONGRESS AS A DELINQUENCY, PREVIOUS  
MESSAGE TRAFFIC INDICATES THAT THIS AMOUNT WAS NOT A DELIN-  
QUENCY BY THE GOK, BUT CAUSES AS A RESULT OF A DELAYED USG  
BILLING PROCEDURES (AS INDICATED BY TIMEFRAMES STATED REF B  
AND PARA 3A ABOVE). AMBASSADOR CONSIDERS THAT SUCH ACTIONS,  
IF THEY COME TO ATTENTION OF GOK, HAVE POTENTIAL  
FOR RAISING IRRITANTS IN US-KUWAIT RELATIONSHIP AS WELL  
AS GIVING FALSE IMPRESSION OF GOK DELINQUENCIES TO CONGRESS.

D. IT IS ASSUMED THAT THE DIFFERENCE BETWEEN THE AMOUNT  
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REQUIRING PAYMENT (A THROUGH C ABOVE) AND THAT INDICATED  
REFTEL (A) OF APPROXIMATELY \$800,000 IS THE RESULT OF  
PROCESSING TIME REQUIRED TO ENTER INITIAL PAYMENTS FOR NEW  
CASES, ETC.

E. IT IS NOTED THAT APPLICABLE BILLING STATEMENTS WITH  
"AS OF DATES OF 31DEC76 (PARA 2A - REF B) REQUIRE PAYMENT  
BY 01MAR77. MOREOVER, IT SHOULD BE RECALLED THAT ONE-WAY  
MAILING TO KUWAIT REQUIRES 2 TO 3 WEEKS.

3. AS IS STATED IN PARA 3A, THE GOK HAS HAD THE BILLING  
STATEMENT FOR WHICH PAYMENT IS REQUESTED IMMEDIATELY  
RA(REFTEL (A)) FOR ONE TO THREE WEEKS.

4. IN THE PAST, EMBASSY HAS RECEIVED PAYMENTS FROM THE  
GOK WITHIN TWO WEEKS TO ONE MONTH AFTER PRESENTATION OF  
APPLICABLE BILLING STATEMENTS. THE GOK MAY OCCASIONALLY  
REQUEST ADDITIONAL INFORMATION ON BILLING PRIOR TO PAYMENT  
AND/OR DELAY PAYMENT PENDING APPROPRIATE REPLIES. THESE

ACTIONS AS WELL AS THE ASSOCIATED PAYMENT TIMEFRAME ARE NOT  
CONSIDERED UNREASONABLE.

5. USLOK WILL CONTINUE TO MONITOR FMS BILL PAYMENTS AND  
WILL SEEK TO EXPEDITE ANY PAYMENTS IN WHICH THERE  
APPEARS TO BE AN INORDINATE DELAY. USLOK ACTION WILL BE  
CONFINED TO INQUIRIES INTO SUCH CASES. ANY INDICATION OF  
POTENTIAL CONSEQUENCES SUCH AS OUTLINE IN PARA 3 REFTEL  
(A) WILL BE MADE ONLY UPON PROPER INSTRUCTION PROVIDED BY  
A JOINT STATE-DEFENSE MESSAGE.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCIAL PROGRAMS, MILITARY SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
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**Disposition History:** n/a  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 875581bc-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION PM  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3188811  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FMS PAYMENT REQUIREMENTS  
**TAGS:** MASS, KU  
**To:** DSJ JFMF LOWERY AFB CO  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/875581bc-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009